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STATE OF WISCONSIN

BEFORE THE REAL ESTATE BOARD

IN THE MATTER OF THE DISCIPLINARY

PROCEEDINGS AGAINST:

FINAL DECISION AND ORDER

PETER W. KNAPP

LS 9810014 REB

RESPONDENT.

The parties to this action for the purpose of Wis. Stats. sec. 227.53 are:

Peter W. Knapp

11134 Wyngate Trace

Mequon, WI 53092.

Wisconsin Real Estate Board

P.O. Box 8935

Madison, WI 53708

Department of Regulation and Licensing

Division of Enforcement

P.O. Box 8935

Madison, WI 53708-8935

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final disposition of this matter, subject to the approval of the Board. The Board has reviewed this Stipulation and considers it acceptable.

Accordingly, the Board in this matter adopts the attached Stipulation and makes the following:

FINDINGS OF FACT

1. **Peter W. Knapp**, ("Knapp"), date of birth 10/02/46, was licensed in the State of Wisconsin as a real estate salesperson having license # 94-35289. This license was first granted to him on 4/12/91 and continued in active status until 12/31/94. Currently this license is in inactive status, giving Knapp the right to renew the license without taking an exam. This right continues until 12/31/99, at which time this right will terminate unless exercised prior to that date.
2. Knapp's most recent address on file with the Department of Regulation and Licensing is 11134 Wyngate Trace, Mequon, WI 53092.
3. This investigation involves conduct of Knapp, acting as a seller, in the 1995 sale of a vacant residential lot located in a new subdivision in Town of Grafton, Ozaukee County, Wisconsin. Knapp was the developer of this subdivision. Knapp's business associate, Scott H. Pecor acted as the real estate broker for the sale of a lot in the subdivision to Michael J. Cibulka and Betty J. F. Cibulka.
4. At the time that Pecor drafted the Cibulka offer, and continuing through the March, 1995 closing of the Cibulka transaction, Pecor and Knapp had an oral agreement whereby Pecor would share equally with Knapp in the net

profit of the sale of the property being sold to Cibulka. Knapp and Pecor did not disclose this arrangement to Cibulka in the offer to purchase or in any other written document.

5. The offer to purchase drafted by Pecor as agent for seller and signed by Knapp as seller represent that the lot is "holding tank approved". At the time the transaction took place no soil tests had been completed on the lot being purchased by the Cibulkas. Final soil tests on the Cibulka lot were not completed until April 1997.

6. The offer to purchase further represents that the seller knew of no planned or commenced public improvements that may result in special assessments or materially affect the property.

7. At the time the offer was drafted and continuing through the date of closing in March 1995, both Pecor and Knapp knew, or should have known, that an owner of a lot in the subdivision could not be issued a building permit until the road work had been completed and until the quality of the work had been approved by the Township of Grafton. Road work was not completed and approval was not granted until November 1997, or sometime thereafter.

8. Pecor and Knapp failed to hold the earnest money paid by the Cibulkas in a real estate trust account.

9. As a resolution of this matter, Knapp has offered to surrender his license, and not reapply for issuance of a license under chapter 452 of the Wisconsin Statutes, all pursuant to the terms of the Order set forth below.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Board has jurisdiction to act in this matter pursuant to sec. 452.14, Wis. Stats.

2. The Wisconsin Real Estate Board is authorized to enter into the attached Stipulation pursuant to sec. 227.44(5), Wis. Stats.

3. Respondent **Peter W. Knapp** has violated:

a. Section 452.14(3)(i) of the Wisconsin Statutes and sections RL 24.03(2)(b), RL 24.03(2)(c) and RL 24.08 of the Wisconsin Administrative Code by failing to place into writing material terms relating to the soil tests on the property and relating to the obligations of the seller to complete public improvements to the subdivision prior to any building permits being issued for construction of residential buildings on the property.

b. Sections 452.14(3)(c) and 452.14(3)(i) of the Wisconsin Statutes and section RL 24.07(2) of the Wisconsin Administrative Code, by exaggerating or misrepresenting material facts relating to the status of the soil tests, the status of public improvements required prior to the issuance of building permits on the property, and the status of his relationship with Pecor.

c. Section 452.14(3)(i) of the Wisconsin Statutes and section RL 18.031 of the Wisconsin Administrative Code, by failing to deposit the earnest money in an authorized real estate trust account.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that the attached Stipulation is hereby accepted.

IT IS FURTHER ORDERED, that the **Voluntary Surrender** of the Real Estate Sales Person license of Respondent Peter W. Knapp, credential #94-35289, is accepted.

IT IS FURTHER ORDERED, that all rights and privileges heretofore granted to Respondent Peter W. Knapp, pursuant to real estate credential #94-35289 are terminated effective at 11:59 P.M., on the date of this Order as set forth below.

IT IS FURTHER ORDERED, that Respondent Peter W. Knapp, shall not be granted a credential under chapter 452 of the Wisconsin for a period of three years from the date of this Order.

IT IS FURTHER ORDERED, that file 97 REB 231/LS9810014REB be, and hereby is closed as to Peter W. Knapp.

Dated this 25th day of January, 1999__.

WISCONSIN REAL ESTATE BOARD

By:___James Imhoff

